

An Overview of LaPorte County's 2007 Annual Trending May 4, 2009

The following steps were taken to conduct the 2007 annual trending in LaPorte County:

Step 1: Sold Property Analysis

Examined all sold properties for changes to grade, condition and effective age. The original 2007 ratio study included such changes. Undid such changes following the same criteria established by the DLGF for the 2006 re-trending.

Step 2: Preliminary Ratio Study

Conducted preliminary ratio study for all property classes in eligible townships. In most cases, the original 2007 neighborhood factors met the statistical criteria. In those instances where the original 2007 trending did not, further analysis was done and new factors and land values were created.

Step 3: Updated Commercial & Industrial Improvement Values

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The county also changed the year of depreciation from 2005 to 2006. The Nexus Group Construction Cost Index (NCCIsm) was used to update these cost tables. In addition to the small percentage changes across all use and wall types, some uses were re-examined as a whole (ex. Gas Stations, Fast Food, Mobile Home Parks, and Hotel/Motels.) often resulting in sizeable percentage changes. On average, gross costs increased approximately 7% between 2005 and 2006. However, adjustments above and below this average were applied for specific use types where more detailed construction costs were available. These detailed construction cost models have been constructed by Nexus Group and applied uniformly by property class based on specific usage, wall type and other characteristics.

Upon implementing these cost updates, a preliminary ratio study was conducted at the township level for all commercial and industrial parcels. As is the case with all commercial property at times the sale price varied greatly for the assessment. In such cases the sale were verified, owners contacted with regards to personal property, liquor licenses, and franchise fees. In many cases adjustments needed to be made to the state sales price before assessment reviews could take place.

CORRECTIONS MADE WITH BRIEF EXPLANATION:

From: McDaniel, Carol L [mailto:clmcdaniel@LaPorteCounty.org]

Sent: Thursday, August 13, 2009 10:25 AM

To: Schwab, David; Wood, Barry

Cc: Jeff Wuensch

Subject: 2007 Revised Ratio Study

David,

We have completed the changes to the 2007 LaPorte County Ratio Study. Of the parcels with differences between the workbook and the ratio (now highlighted in Green), the majority were multi parcels which summed multi rows into one cell, hence the discrepancy. The remaining parcels were imputed into the study to reflect the workbook value. In the event the parcels in the ratio study need reviewed and resulted in a change to the workbook values, notes were place to the right of those parcels (three in Cass Twp, and two in Galena). Those parcels were re-site visited for assessment accuracy. The last copy of the workbook was left unchanged except in the case of those five parcels.

Thank you for your patience, please call me

Carol McDaniel
LaPorte County Assessor